

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2005
(In Thousands of Dollars)

Net Change in Fund Balances – Total Governmental Funds	\$	(291,545)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.		361
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount that capital outlays of \$763,473 is exceeded by depreciation of \$801,753 in the current period.		(38,280)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		243,787
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Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Assets (Note 12).

Bonds Issued	(157,605)	
Bond Premiums, Issuance, and Refunding Costs	(7,568)	
Bond Principal Payments	273,320	
Capital Leases Issued	(53,025)	
Capital Lease Payments	18,644	
	73,766	73,766

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (Notes 11 and 12).

Amortization of Bond Premiums, Issuance, and Refunding Costs	8,085	
Decrease in Restricted Cash	(18,775)	
Decrease in Accrued Interest	4,313	
Decrease in Due to Other Entities	917	
Increase in Compensated Absences	(7,959)	
Increase in Contingent Liabilities	(81,379)	
Increase in Claims Liability	(3,541)	
Increase in Net Pension Obligation	(2,248)	
	(100,587)	(100,587)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.		20,316
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Change in Net Assets of Governmental Activities	\$	(92,182)
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The notes to the financial statements are an integral part of this statement.